

Seoul Police Block Opposition Rally In Show of Strength

LATE NEWS
Rival Parties Clash in Malta
VALLETTA, Malta (Reuters)—More than 20 supporters of Malta's opposition Nationalist Party were wounded Sunday, some by bullets, in a clash with supporters of the ruling Labor Party witnesses said. Nationalist Party officials said the Nationalists said they were unharmed by the Labor Party "indiscriminate" as they marched toward the village of Zgarej, a Labor Party stronghold. Police used tear gas to end the clash.

SPECIAL TODAY
SWEDEN'S NEW MODEL
Sweden turns inward on a more pragmatic course under Ingemar Carlsson, Olof Palme's successor as prime minister.

A special report, Page 7-B.



Police in Seoul prevented an opposition politician, Lee Min Woo, at right with face partially obscured, from leaving the New Korea Democratic Party office on Saturday.

Meese Will Ask Court For Special Investigator On Iran, Associate Says

Dole Urges Reconvening Of Congress
WASHINGTON — Bob Dole, the Senate Republican leader, urged President Ronald Reagan on Sunday to convene a special session of Congress to appoint a Watergate-style committee to investigate secret White House arms sales to Iran and money transfers to support Nicaraguan rebels.

Mr. Dole said he wanted Mr. Reagan to call a special session of Congress next week and form this select committee.

Robert C. Byrd, the Democratic leader of the Senate who will assume Mr. Dole's post as majority leader when the new Senate convenes in January, also called for appointment of a select joint committee.

Mr. Dole, interviewed on television, said Congress "ought to be called back to town next week" rather than waiting until it reconvenes with new members and a Democratic majority in January.

Although Republicans will retain control of the Senate until January, he said a Democrat would probably be appointed to head any select committee.

"We'd probably have to pattern it after the so-called Watergate committee," the Kansas Republican said, referring to the congressional panel whose investigation played a critical role in forcing the resignation of President Richard M. Nixon in 1974.

Mr. Reagan, on his way to Washington from a Thanksgiving holiday at his California ranch, said he was doing everything necessary to get the act.

Both the Senate and House intelligence committees have already started their own investigations of the Iran and Nicaraguan transactions.

In Byrd, in a separate television interview, also urged the president to remove Attorney General Edwin Meese 3d from the investigation and appoint a special committee to investigate the Iranian and Nicaraguan transactions.

Mr. Meese 3d personally close to the president and a member of the National Security Council, the West Virginia Democrat said. He



Bob Dole

Move Could Avert Charge Of Cover-Up

By Jack Nelson
WASHINGTON — Attorney General Edwin Meese 3d has decided to ask the U.S. Supreme Court to take over the Justice Department's investigation of the Iranian arms deal, a Meese associate and longtime confidant of President Ronald Reagan said.

The administration is expected to announce the move soon to satisfy pressure from Congress and from within the Justice Dept. for Mr. Meese to step aside as head of the inquiry he started last week at President Reagan's request.

Last week, Mr. Meese rejected congressional demands that he seek outside counsel, saying he had already conducted an inquiry for Mr. Meese to step aside as head of the inquiry he started last week at President Reagan's request.

On Saturday, White House sources said the arms shipments to Iran were authorized in documents prepared outside the normal National Security Council channels used for the most secret U.S. operations abroad.

The sources said that three council officials assigned to prepare all presidential "findings," which are documents authorizing secret U.S. efforts to influence events abroad, were never told about the Iran shipments.

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For Pretoria, Beating Oil Embargo Is Easy

By Michael Isikoff
WASHINGTON — International oil traders and shipping companies secretly direct oil tankers that pull out of Gulf ports with dotted cargoes of oil and fuel.

Transfers are made among tankers at sea or at special transshipment ports such as Rotterdam. The tankers regularly unload at offshore oil depots outside the ports of Durban and Saldanha Bay, furnishing South Africa with an estimated 14 million tons of oil every year.

That is the picture of the South African oil trade that emerged in a Washington Post Special investigation of the country's oil trade.

For more than 30 years, South Africa has been the recipient of an embargo problem by the United Nations General Assembly and other international bodies. All of the members of the Organization of Petroleum Exporting Countries have public policies prohibiting their country's crude oil from being shipped to South Africa.

Yet, oil, the one key commodity South Africa lacks, has continued to flow to the country without interruption, providing what some observers contend is a case study in the effectiveness of economic sanctions aimed at the Pretoria regime.

"Given suitable prices, you will always find people prepared to make these sales," said John D. H. Smith, Washington director of the South African Business Information Council, a group that represents South African business interests. "I can't remember the last time anybody spoke to me of oil as a source of concern."

Until the late 1970s, the South African oil trade was simple: Iran openly ignored the embargo and furnished South Africa with an estimated 55 percent of its oil supplies. The overthrow of Shah Mohammed Reza Pahlavi in 1979 opened up a new and more lucrative era for the anti-apartheid movement.

Those laws in turn have provided the cover for a number of independent oil traders and middlemen who have filled the void left by the Iranian cutoff, according to oil analysts and anti-apartheid activists. A recent study by the anti-apartheid Research Bureau in Amsterdam traced 83 oil tankers that, over a two-year period, delivered as much as 15 million tons of crude oil to South Africa, mostly from Saudi Arabia, Oman, the United Arab Emirates and Brunei.

The Shell group has raised questions about the involvement of the Inge-Dutch-British company as well as other major oil companies in this traffic. Report organizers note, for example, that, at least until 1981, Shell received special "incentive payments" from South Africa to have its tankers deliver oil to the country.

Yet Shell denies that it ships oil to South Africa. And the Shipping Research Bureau, See OIL, Page 5



Mangosuthu Buthe, the leader of South Africa's Zulus, says U.S. sanctions have hurt black workers. Page 2.

World environmentalists are resisting efforts to open up Antarctica to mining. Page 2.

GENERAL NEWS
A Bhopal court narrowed its ban on Union Carbide's selling of its assets. Page 3.

A Guyanese industrialist and his people have to pull themselves out of misery. Page 5.

FEATURES
The rise of a Hollywood actor blacklisted during the McCarthy era has written a play about his father. Page 18.

BUSINESS/FINANCE
The U.S. economy continued its pattern of sluggish growth in November, corporate purchasing managers said. Page 11.

Protesters held what would be the last of their demonstrations in November, corporate purchasing managers said. Page 11.

Agreement on Tariffs and Trade said. Page 11.

Saudi Role in Sales, Rebel Fund Alleged

By Jeff Gerth
WASHINGTON — Increasing evidence shows a significant Saudi Arabian role not only in secret Iranian purchases of arms but also in the supply of military equipment to the rebels in Nicaragua.

Associates of Lieutenant Colonel Oliver L. North, a former assistant on the National Security Council staff, were in direct contact with the Saudis, the evidence indicates.

President Ronald Reagan dismissed Colonel North after it was found that up to \$30 million from Iranian arms purchases had been diverted for the Nicaraguan rebels, known as "contras," in 1986.

The arrangements were complicated and involved many participants, and hence their precise nature remains clouded.

But evidence from interviews, bank records, records of airplane fares, corporate records and other documents permits at least a partial picture to be drawn.

The arms supply operations were begun separately, with the help of the Nicaraguan rebels beginning in 1984, before the Saudi and American dealings with Iran, and the two deals that led to revelations of a "covert" aid connection and an administration crisis.

In an interview with Time magazine conducted Wednesday and published Sunday, the president said the most serious crisis of his years in the White House has left him frustrated in his job, and he blamed the crisis on the Iran-Contra scandal.

He said: "I have to say there is a bitter bite in my throat these days. I've never seen the sharks circling like they are now blood in the water."

"What is driving me up the wall is that this is a failure under the president's eye. It is a failure that the press got a tip from that ray in Beirut and began to play it up," he said. He added that he had told the press that publicity could "get people killed," but that "they went right on."

He said: "The press has to take responsibility for what they have done."

The president referred to the Beirut newspaper Ash-Shiraa, a pro-Syrian weekly, that first broke the story Nov. 3 that Robert C. McFarlane, See REAGAN, Page 6

Cary Grant Dies in U.S. At Age 82

The Associated Press
DAVENPORT, Iowa — Cary Grant, the dashing Hollywood actor, died Sunday of a heart attack at the age of 82. He was in the hospital here, after a fall while rehearsing for an appearance at a local theater, a hospital official said. He was 82.

Elegant Leading Man
Mr. Grant was the most elegant of the leading men who came through the frothy faces that Hollywood channeled out in the 1930s and 1940s. He had a cool, witty, debonair way about him, both on the screen and off.

"Cary has so much style that it makes it all look easy," Frank Sinatra said in 1970 in presenting him with a special Academy Award inscribed "to Cary Grant, for his unique mastery of the art of screen seduction" during his 55-year, 75-film career.

Mr. Grant was twice nominated for Academy Awards. He was nominated for his portrayal of a London street thief in the 1944 film "The Great Escape" and for his role as a sex-crazed newspaperman in the 1941 film "Perry Sledge."

His personal style had also become endearingly quirky ingredients, but conducting his Cockney-flavored but charming way of talking, his sense of timing, his cynicism to register comic disbelief, and his flair for managing to seem irresist-

Sikh Gunmen On Bus Kill 24 Hindus

By Richard M. Weintraub
Washington Post Service
NEW DELHI — Sikh gunmen killed 24 Hindus on a bus in the state of Punjab on Sunday, hours after a disident faction of the Sikh party Akali Dal won control of the powerful government that manages the religion's temples and shrines, according to news agency reports from Punjab.

The four gunmen forced the bus to stop near the village of the militant faction of the Akali Dal, which was carrying two motor scooters that carried automatic weapons. United News of India reported. Seven other passengers were wounded, the reports said. One of the dead was reported to have been an army captain, another a government official.

The gunmen, who had boarded the bus at a nearby village, escaped on two motor scooters that carried automatic weapons. United News of India reported. Seven other passengers were wounded, the reports said. One of the dead was reported to have been an army captain, another a government official.

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The 131st B-52 bomber equipped to carry cruise missiles lands at Carswell Air Force Base in Fort Worth, Texas. Washington surpassed SALT-2 limits when it deployed the plane.

Allies Assail U.S. Breach of SALT-2 Decision to Exceed Weapons Ceiling Called 'Regrettable'

The Associated Press
LONDON — The United States has failed to live up to its obligations for its decision to breach the 1979 strategic arms treaty.

President Francois Mitterrand of France and Peter Mulders, a Belgian Foreign Ministry spokesman, said the U.S. decision was regrettable. Foreign Minister Mulders said the U.S. decision was a "serious breach of the Netherlands' aid" was "politically unfortunate."

West Germany and Britain did not directly criticize the United States. But both made it clear that they did not welcome the decision. The French newspaper Le Monde said, "With the Iran affair and now with regard to arms, we see at the same time a serious breach of the American policy."

The independent Sueddeutsche Zeitung of Munich said in an editorial Sunday: "Was the breach absolutely necessary for the security of the U.S.A.?" It said that the U.S. decision was "regrettable" and that the U.S. should reconsider and refrain from renouncing SALT-2, for that Congress and the allies of the United States are strongly opposed to the scrapping of this treaty."

The treaty was signed in Vienna by President Jimmy Carter and the

President Blames Press For Crisis

United Press International
NEW YORK — President Ronald Reagan Sunday blamed the press for the Iran-Contra crisis, saying that the press had "played a role" in the scandal.

The president referred to the Beirut newspaper Ash-Shiraa, a pro-Syrian weekly, that first broke the story Nov. 3 that Robert C. McFarlane, See REAGAN, Page 6

RELATED ARTICLES
■ Two dismissed aides, Admiral John M. Poindester and Colonel Oliver L. North, believe their actions were correct. Page 6.
■ George Bush reportedly is preparing to make a public statement on the situation. Page 6.
■ The Soviet Union secretly has shipped arms to Iran, a British newspaper reported. Page 5.

Conference in Canada Turns Into Pageant of Disdain for U.S.

Source: State Department.

Start Investigating Now

A Breakout From SALT

Other Comment

—THE WASHINGTON POST.

Paralysis in Washington Is Still Avoidable

Americans Got the Administration They Wanted

Too Much Is Being Expected of Japan

The Lesson From Chad For Reagan

1911: Most Give Thanks

1906: Death of a 'Palace' — Flames have destroyed the Crystal Palace, the vast Victorian structure of glass and iron which has dominated the horizon of southeast London for nearly a century. The fire started (on Nov. 30) in a workshop of the building and, fanned by a north-west wind, swept through the famous exhibition hall. An hour and a half later the blaze broke out, the huge glass roof crashed down. The London landmark was erected in Hyde Park for the Industrial Exhibition of 1851. When the exhibition closed, it was moved to Sydenham. Sir Joseph Paxton designed the structure, of which the light and airy glass vaulting of the roof was of particular interest. (Among other attractions) it presented the public with numerous concert halls and courts containing copies of

Russia, an Iraqi Ally, Reportedly Has Sent Arms Secretly to Iran

The Associated Press

LONDON—The Sunday Times said the Soviet leader, Mikhail S. Gorbachev, has been making secret arms shipments to Iran.

The newspaper quoted authoritative sources as saying the Soviet Union had supplied arms directly to Iran, as well as indirectly through countries including North Korea, Czechoslovakia and probably Libya and Syria.

The report gave no other details of the reports. Shipments from Iran have been at war since September 1980.

The Russians have treaty commitments to Iran. The Sunday Times said that because the Kremlin "has the same view of Iran's strategic importance as the White House," the Soviet Union had been making "various attempts to repair its shattered ties with Iran."

Soviet relations with post-revolutionary Iran have been hurt by Iran's execution of Communists, its outlawing of Jews, which is the

Chirac Says Iran Requested Arms

Reuters

PARIS—Prime Minister Jacques Chirac said Sunday that Iran had asked France to make arms deliveries to help improve relations between the two countries but that France had refused.

Mr. Chirac said the arms question was one of four issues raised by Iran when its government began its attempts to improve relations with Tehran in an effort to free French hostages in Lebanon. He said Iran also had raised the question of Iranian dissidents living in France, a dispute over a \$1 billion Iranian loan, and French relations with Iraq.

"They asked us if we could deliver arms and I told them that as long as Iran and Iraq were at war this subject was totally excluded," Mr. Chirac said in a television interview. He said that France and Iran were continuing to improve their relations despite France's refusal to supply arms.

INQUIRY: Meese Is Expected to Name Special Counsel

(Continued from page 1)

When he sought out one of the White House staff members, Mr. Meese said, the national security adviser, Mr. Reagan, told him that the Iranian arms controversy itself.

They have been arguing that the White House move as quickly as possible to disclose all information about the arms deal and seek the appointment of an independent counsel even if it meant the violation of the law has been established.

"This isn't Watergate, it's not a burglary and it's a close call to what we have been through," one of the aides said. "Politically it might be defensible if we just get the facts out. Ticking Iran could be looked on favorably by the public."

With the scandal undermining Mr. Reagan's credibility and threatening to damage his presidency, the Reagan confidant said: "It is now acknowledged that the investigation will be in the hands of an independent prosecutor who will be named."

There is still a lot of concern about the president's close California friends not just for Ronald Reagan, but for the presidency. We don't want another failed presidency," he said.

"More personnel change is not the first order of business; appoint-

ment of an independent prosecutor is."

Two officials have been removed because of the scandal. They are, the national security adviser, Mr. Reagan, and Mr. Meese.

A group of Mr. Reagan's longtime advisers in California has been removed from the cabinet for at least two weeks; the White House chief of staff, Donald T. Regan, who in their view failed to protect Mr. Reagan and gave him bad advice on the Iranian arms deal; and Secretary of State George P. Shultz, who in their view repudiated Mr. Reagan's Iranian policy in public after failing to block it in private.

Mr. Regan and Mr. Shultz differed sharply over the Iranian arms deal. Mr. Regan said he had advised Mr. Shultz's failure to support Mr. Reagan in the controversy. However, Mr. Shultz said he had no such indications that the two officials have buried their differences and sought to oppose the move to name a special counsel.

A White House aide said, "Regan and Shultz definitely have had some private conversations recently and if there was a hatchet to bury, they have buried it."

Meanwhile, the State Department has issued an order to withhold control over its citizens. Presently, under Iranian law, such activities are limited and proper investigation will be made.

An Israeli arms dealer, Yacov Nimrod, denied Sunday that he made a profit from shipping U.S. weapons to Iran.

A cabinet spokesman, Eliahu Rubinfeld, said ministers were briefed by Mr. Meese on the arms deal by Prime Minister Yitzhak Shamir, Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin. Mr. Rubinfeld declined to give further details about the session.



10 Die in Fighting in Lebanon

As a room burned behind them, Shiite Muslim militiamen watched Palestinian guerrillas Sunday from a balcony in the Charia refugee camp outside Beirut. Ten persons died as Shiite-Palestinian battles continued, in two other Palestinian camps and near Tyre. An Arab League envoy met with Prime Minister Rashid Karami to discuss ways to end the five weeks of fighting.

SAUDI: Role in Iran Deal, 'Contra' Funding Reported

(Continued from page 1)

staff, led the White House to work for Mr. Khushoggi, according to two former White House officials.

Mr. Khushoggi later told an associate that Mr. Tyson introduced him to Robert C. McFarlane, the national security adviser, and other National Security Council officials for talks about the arms deals and Iran.

In 1984 and 1985, General Secord directed the acquisition of materials, including small airplanes, to help the contra, according to sources familiar with the acquisition and documents. His associates included Mr. Hakim and Robert H. Liles, who had been a superior of Colonel North on the National Security Council staff, according to the sources and other officials.

Mr. Liles is now a consultant to Prince Bandar bin Sultan, the Saudi ambassador to the United States, according to an official at the Saudi Embassy.

By 1985 both the United States and Saudi Arabia, with the assistance of Israeli arms dealers, Mr. Khushoggi and a confidant of King Fahd of Saudi Arabia, had begun

discussions with Iran. The ensuing arms purchases involved a variety of financial transactions centered around Mr. Khushoggi and related companies.

For example, copies of 1986 bank records show two checks from Manchester Globalbank, an Iranian arms dealer who was the liaison to Iran, to Khushoggi totaling \$5 million. Other checks totaling \$12 million from Mr. Globalbank were deposited in an account at the Monte Carlo branch of the Bank of Commerce and International.

Most of the participants in the arms deals, including Mr. Chirac, Mr. Hakim, Mr. Khushoggi and Saudi officials, had accounts with the same banks in Switzerland, according to bank records and sources familiar with the operation.

Discussions about private Saudi assistance for the contra began in late 1983 and intensified the next year. When Congress barred further U.S. military aid for the Nicaraguan insurgency, according to an American source.

It is not known when the Iranian and contra arms dealings intersected, but by 1985 there were secret diplomatic discussions under way with Iran, by which the United States and Saudi Arabia.

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A Gypsy Intellectual Speaks Out

He Says His People Must Pull Themselves From Poverty

By Jackson Diehl

Washington Post Staff Writer

BUDAPEST—Born and raised in the gypsy world of a poor Gypsy family, Menyhely Lakatos can speak with conviction about what he calls "the dark world" that envelops Gypsy communities in Eastern Europe.

By his account, it is a world of ignorance, poverty and prejudice that modern development has done little to relieve. "It may seem romantic to an outsider, but the cultural tradition of Gypsies is quite backward," he said.

"Our history," he added, "has led us to poverty, to begging, to intellectual blackness that threatens our survival."

Lakatos sees himself as a rare case of upward mobility. Shot and wounded as a boy by a Hungarian landowner, he managed to convert his injury into a secondary school education sponsored by his parents. He survived the Nazi death camp of Dachau, where his parents and five brothers and sisters were killed. He went on to attend a Soviet military school in Budapest.

Now, the 61-year-old sociologist and writer is the president of a newly created Cultural Association

of Gypsies and a leading figure of what he said is a group unique to Hungary: a "Gypsy intelligentsia" that is educated and loyal to its ethnic origins.

This movement, Mr. Lakatos said, is achieving the first real step toward cultural and political redemption for what remains one of the largest and the most disadvantaged of ethnic minorities in Communist-led Eastern Europe.

"There are intellectual Gypsies elsewhere but they pursue their own interests," he said. "We are the only Gypsy intelligentsia that has a consciousness of itself as Gypsies, and is trying to defend our people. If we intellectuals cannot find a different future for the Gypsies, we are condemning the people to death."

So far, the accomplishments of the Gypsy group have included the creation of a handful of "experimental" elementary bilingual education programs for Gypsy children, a high school to train teachers in the Gypsy language, Romanians, and a newspaper for Gypsies that is to begin publication in December.

Mr. Lakatos's cultural council, established in June, has been funded with about \$160,000 from the Hungarian government. Another body, the National Gypsy Council, has been set up last year under the Party's People's Front, the Communist-sponsored political organization.

These changes come in the context of official neglect generally for Gypsy communities in the region. Neither Romania, with a Gypsy population estimated at more than one million, nor Yugoslavia, with at least 300,000, has Gypsy language schools or political organizations recognized by state authorities.

In Hungary, although the 400,000 Gypsies represent the largest ethnic minority in a country of 10 million, they still do not enjoy the same political privileges of such

other groups as Slovaks and Romanians, which are considered independent "nationalities" by the authorities.

Mr. Lakatos contends that the Gypsies themselves bear much of the responsibility for their plight. "Things don't depend only on permits," he said recently at his suburban apartment here. "We have to prove to the society that we can act and that what we want is necessary."

A pressing reason for action in Hungary is the rapidly growing underclass of Gypsies that has proved to be a source of crime and a social and economic embarrassment for authorities. Thousands of Hungarian Gypsies still live in slum housing and suffer from illiteracy and unemployment, and officials conceded last year that problems of prejudice were intensifying.

The Gypsy population in Hungary is rapidly expanding. Reduced to little more than a remnant of Nazi extermination drive in World War II, it has increased fourfold in the past 30 years.

"Much that is in our culture," Mr. Lakatos said, "was the consequence of many centuries of fleeing from extermination. We cannot adopt the culture of the nation," he said, "because it is not any more necessary for us than it is for other human beings."

The 200 Gypsies who have gained prominence as writers, artists, academics and filmmakers in the past 20 years in the Hungarian language and "have adopted the culture of the nation," Mr. Lakatos said, "But it's not necessary for us to give up our identity."

A chief objective of the group is to strengthen the place of Romanians in Hungary through publications and bilingual education. Several Gypsy-language textbooks have been published and the first elementary courses began in 1983.

Washington, said Mr. Musallam in some ways a counterpart to Colonel North. He added that the Saudis wanted to modify Iran, which had been demanding that the Saudis intervene with Washington to obtain spare parts for American F-4 jets.

Mr. Ghadry said that he understood from sources in Saudi Arabia that the Saudi government, at the direction of Fahd, actually paid for the Iranian arms purchases by the Saudis.

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THE INQUIRY INTO THE IRAN AFFAIR: The departed aides harbor no feelings of guilt

Poindexter Believes History Will Vindicate Him, Aide Says

By Bob Woodward

WASHINGTON — Tuesday morning at about 7:30 the White House national security adviser, Vice Admiral John M. Poindexter, was picking over his breakfast in his West Wing office when he suddenly remembered to an aide, "I'll be telling the president... requesting reassignment in the navy."

There were no jitters, no real emotion. The vice admiral's face was stony as he returned to his inbox, still stuffed with the flow of national security papers.

"Of all the people in the world who might have to take a fall," the aide later said, "the admiral was probably the most qualified in his field."

Admiral Poindexter, 51, has turned inward in the days after his fall, according to several of those who thought they were closest to this distant man.

"He thinks history will vindicate him," an aide said, "but the Iran opening was well-intended, well-thought-out." He added, "There's two years of paper work that will show it was not a policy strangled under an attempt to get hostages out."

Administration and cabinet officers have spoken privately with the admiral about the Iran affair as a man who never mastered his assignment, isolated himself and never displayed any political understanding while holding one of the most politically sensitive posts in government.

But sources said Admiral Poindexter was confident of his position. They said the admiral thought that it probably was not illegal when funds from the Iran arms sales were diverted to aid the rebels, known as "contras," fighting the Nicaraguan government.

Lieutenant Colonel Oliver L. North, the Poindexter aide dismissed last week when Admiral Poindexter's resignation was announced by the president, also "did not treat the contra crisis as illegal," according to a source.

Several of those closest to the admiral said that the Admiral Poindexter was a private man and that he ran an intensely private shop in the West Wing.

"Need-to-know was second nature with him," an official said. Another called him "the covert man."

Admiral Poindexter learned about the contra controversy from Colonel North, according to sources, when Colonel North mentioned a "spin-off" of the Iran arms sales operation. That operation, sources said, was the \$10 million to \$30 million that Attorney General Edwin Meese said was deposited in Swiss bank accounts to aid the Nicaraguan rebels.

Admiral Poindexter never sought a legal opinion about the "spin-off," which has become the core of the controversy, according to a source.

A number of sources maintain that Admiral Poindexter did not share the information with his closest aides on the National Security Council, and after the public disclosure Tuesday Admiral Poindexter did not treat it as a big secret.

"It was not treated as a big secret, not in the sense of control matters and really sensitive intelligence covert operations," said a source who talked with Admiral Poindexter after Tuesday.

Four channels were known to others on the Security Council staff, the sources said. They were the following:

• The paper flow of "eyes-only" messages or documents that came to Admiral Poindexter in sealed envelopes; also, messages occasionally delivered intelligence and other reports to him.

• Closed-door meetings with key aides or other senior officials in the White House staff. A source said that Colonel North had had sessions with Admiral Poindexter, but no more frequently than some other senior Security Council aides.

The relationship with the White House staff, Donald T. Regan, which included periodic one-on-one briefings, usually weekly, and the so-called "9:30 time" when Admiral Poindexter briefed the president in the morning with Mr. Regan frequently attending.

The direct access to the president, which included one-on-one meetings on rare occasions and a direct phone line to the Oval Office that was used regularly. One source said Admiral Poindexter also frequently sent memos, intelligence reports and cables to the president.

Sources and officials who worked closely with Admiral Poindexter during his 50-week tenure as security adviser agreed that it was pretty much a guessing game for the president to figure out what Admiral Poindexter did or did not pass along to Mr. Regan and to the president.

Admiral Poindexter, according to a source, considered Mr. Regan the person who provided order to the president's day and not someone to inform about every detail of national security policy. The source said he was surprised reports claiming that Colonel North informed Mr. Regan of the contra controversy.

Another more senior White House official who nevertheless was less informed about the only information flow said Mr. Regan was keenly attuned to the president's day and not someone to inform about every detail of national security policy. The source said he was surprised reports claiming that Colonel North informed Mr. Regan of the contra controversy.

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Oliver L. North

North: 'Tough Marine' Under Fire

Ready to Shoulder Blame, Friends Say

By Shirley Christian

WASHINGTON — Oliver L. North, the Marine lieutenant colonel at the center of the storm involving Iranian arms sales and aid to the Nicaraguan insurgents, was described by friends last week as being prepared to take the blame like a mixture of courage and good soldier.

One acquaintance said Colonel North had reacted to suggestions that he might be a scapegoat by saying that he was a soldier and equating his situation to that of a field commander expected to take all the risks necessary to achieve an objective.

He was also reported by acquaintances to feel he had done nothing wrong during his five and a half years on the National Security Council staff, including the operation revealed by Attorney General Edwin Meese 34 to divert profits from sales of weapons to Iran to a Swiss bank account for use by anti-Soviet forces.

Colonel North, talking about his situation Thursday, declined to comment on the controversy. He was promoting other people, but he appeared relaxed and confident.

In the midst of the conversation at his home in the wooded hills of Northern Virginia, a neighbor's horse came galloping down the road, kicking the colonel's car into the road, bloodied the animal's path and guided it into his own yard, where his children calmed it.

Colonel North, 43, said he did not intend to seek disability retirement from the Marine Corps for his Vietnam War wounds but would serve the year and a half remaining to him before normal retirement, also being available for the various investigations of his White House role.

"Then I intend to find a job and make a lot of money, to send four kids to college," he said as he hugged the 10-year-old daughter he called "my sunshine."

One friend, recalling reports of anxiety or jealousy within the armed services about the colonel's White House influence, said Colonel North had effectively sacrificed whatever future he might have had in the Marine Corps "because he believed in the president."

Friends said that while many of them were near tears when they heard President Ronald Reagan announce Tuesday that Colonel North had been dismissed from the National Security Council staff, he himself had seemed to take it almost stoically, or like "a typical tough Marine."

In the succeeding days, they said, his peace of mind seemed to grow, in part because of the outpouring of support he received.

They said he was also heartened by a telephone call of gratitude from President Reagan, who, according to one acquaintance, began the conversation by suggesting that the revelations of recent days would make a great movie.

The working style and habits described by people who have seen the colonel at close range do, indeed, seem to be destined for book or screen, although he insisted, in an interview last year, that he would never consider being part of such an undertaking.

For one thing, the sources point out, whenever Colonel North was not engaged in affairs of state, he was absorbed with his wife, Betty, and their children, his religious faith and the corners of his two-acre (3.6-hectare) home with its three horses and three dogs. It is he who takes the children to Roman Catholic Mass on Sundays, they said.

Those close to him described him as highly intelligent and articulate, a cheerful workaholic who produces when others delegate, the man who had the "broadest brief" on the National Security Council staff, and a former global strategist that would have made the Iran-Nicaragua connection seem entirely plausible.

He was described as someone who got personally involved in causes that interested him, including the Middle East and the Nicaraguan rebels. He added that his guess was that "Oliver was a very elegant way to solve both problems."

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Bush, Eye on '88, Faces Dilemma Over Scandal

By R.W. Apple Jr.

WASHINGTON — Vice President George Bush, who has been less than keen to the public since the crisis over arm shipments to Iran, perhaps this week, according to friends and associates.

"He is not trying to distance himself from the president," a friend said Saturday. "It would be a very serious error to avoid comment altogether, but it is only prudent to wait for a bit while the situation resolves itself. Whatever he says will not only attract a lot of attention, it will be remembered all through 1988."

Mr. Bush's behavior has been closely watched because he formerly headed the Central Intelligence Agency, which played a role in the arms shipments, because he is a member of his staff have links to the rebels in Nicaragua, who received part of the proceeds of the arms sales operation. That operation, sources said, was the \$10 million to \$30 million that Attorney General Edwin Meese said was deposited in Swiss bank accounts to aid the Nicaraguan rebels.

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President Ronald Reagan to discuss the crisis until he left the capital Wednesday to spend the Thanksgiving weekend with his family in Kennebunkport, Maine.

At those meetings and in repeated telephone conversations, an aide said, the vice president offered detailed advice to Mr. Regan.

The aide suggested that Donald T. Regan, the White House chief of staff, was concerned about his own future and that Mr. Bush was therefore playing an advisory role that Mr. Regan might otherwise play.

The vice president's political advisers are divided on the impact that the crisis has already had on his chances in 1988. One group, said to include Lee Atwater, who will serve as a senior adviser in the campaign, believes that the damage has been considerable.

They believe that the Iran controversy has seriously tarnished the Reagan presidency and that Mr. Bush, because they think his association with Mr. Regan has heretofore been the main reason for Mr. Bush's strength.

Others never believed that the vice president could run as Mr. Regan's political heir. He has always thought he would stand on his own as a candidate, but he has been the most able candidate to take the damage to date as minor.

"Presuming that nothing comes out of this," he said, "if you don't really know what's in Oliver's case," a reference to Lieutenant Colonel Oliver L. North, a

most important thing in his whole 1988 effort, will be how he conducts himself in the next few months as the Iran controversy unfolds.

"His behavior on all of this will either convince the public of his character and probity, or it won't," the Bush aide said.

The vice president's aides insist that he had nothing to do with the diversion of profits from the arms sale to Iran, but they are unwilling to spell out his role in the arms sale itself.

It is still not known, for example, whether, in the early discussions of the project, he supported it, along with Robert C. McFarlane, who then was national security adviser, or whether he opposed it, along with Secretary of State George P. Shultz and Secretary of Defense Casper W. Weinberger. That may be one question he will address this week.

Political analysts say Mr. Bush is in a difficult position. He has much of his loyalty to Mr. Regan, often supporting the president's position even when he had private doubts about certain issues. He will not want to undermine that record now, but he and his advisers know that there will probably be many more questions about the arms sale.

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Political analysts say Mr. Bush is in a difficult position. He has much of his loyalty to Mr. Regan, often supporting the president's position even when he had private doubts about certain issues. He will not want to undermine that record now, but he and his advisers know that there will probably be many more questions about the arms sale.

"It's hard to know just what to do," he said, "if you don't really know what's in Oliver's case," a reference to Lieutenant Colonel Oliver L. North, a

most important thing in his whole 1988 effort, will be how he conducts himself in the next few months as the Iran controversy unfolds.

"His behavior on all of this will either convince the public of his character and probity, or it won't," the Bush aide said.

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REAGAN: Press Blamed for Crisis

(Continued from page 1)
line, the former national security adviser, traveled secretly to Tehran to negotiate over arms supplies for Iran.

Mr. Reagan had high praise for Lieutenant Colonel Oliver L. North, a national security council staffer dismissed Tuesday following disclosure of his role in the funding of Nicaraguan "contras," as the rebels are called, with revenues from the Iranian arms sales.

"I do not feel betrayed," the president said. "Lieutenant Colonel North was involved in all our operations: the Achille Lauro, Libya. He has a fine record. He is a national hero."

"My only criticism is that I wasn't told everything," Mr. Reagan said.

The president called Vice Admiral John M. Poindexter, who resigned Tuesday as national security adviser, "a fine naval officer, a good man, a man who should be admired for his belief that responsibility must be taken even if you are asleep in your bunk when the ship runs aground."

Mr. Reagan also defended his policy, saying, "I think we took the only action we could have in Iran. We were not going to disavow it. I do not think it was a mistake."

Vice President George Bush, in a separate Time interview, said his first statement on the affair, denied any part in the covert funding of the contra.

Mr. Bush, who has remained silent during the crisis, denied he had dodged responsibility.

"When the flag goes heavy out there, the winners don't go on their off and pull away from the fight leader," said Mr. Bush, who was a decorated war pilot in World War II, "especially when the fight leader is known to the winners to have total ability and a good record."

"There is this insidious suggestion that I was conducting an operation. It's untrue, unfair and totally wrong."

Mr. Bush also voiced support for Colonel North, calling him "deeply committed, deeply involved in the policy of trying to restore the re-

luctancy dream of democracy to Nicaragua."

The Miami Herald reported Sunday that Mr. Bush was indicted regularly by Colonel North and other leaders during the time Colonel North sought private supply sources for the contra.

The Herald quoted unidentified administration, congressional and rebel sources as saying Mr. Bush was routinely informed by Mr. North.

However, the sources could not say if Mr. Bush knew that Colonel North had played a role in diverting \$10 million to \$30 million from the sale of arms to Iran to pay for weapons and services for the contra.

Iraq Seeks Action By 3 Agencies on U.S.-Iran Dealings

BAHAGHDAD — Iraq called on three international organizations Sunday to take "appropriate measures" over arms deals between the United States,

Sweden: Looking Inward

IN THE NEWS

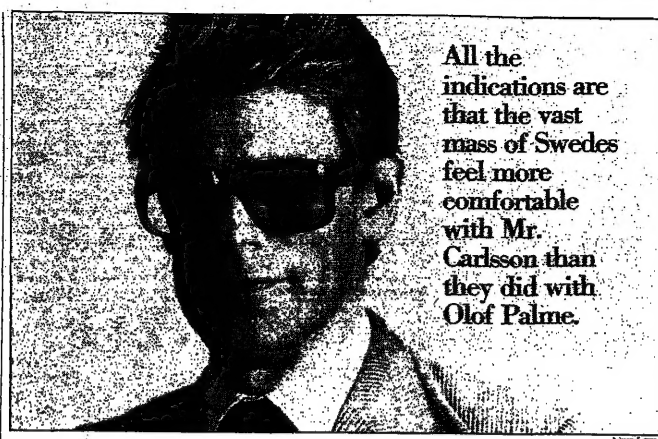
Feb. 28: Olof Palme Is Shot Dead in Stockholm
Prime Minister Olof Palme is assassinated in central Stockholm, as he returned to his home with his wife. Palme, 59, was head of the Social Democratic Party for 17 years. Police offered a \$70,000 reward for information leading to the arrest of a suspect. On March 1, Ingvar Carlsson was nominated prime minister by the Social Democrats. Mr. Carlsson, 51, was Palme's chief aide since the Social Democrats' return to power in 1982.

April 14: Carlsson Holds Talks in Moscow
Ingvar Carlsson begins a four-day visit to the Soviet Union, the first by a Swedish head of government in 10 years. This came after a cancellation a few months earlier of a visit by a high-level trade delegation to Moscow following submarine incursions.

April 28: Sweden Detects Chernobyl Nuclear Accident
Radioactive particles found on the shoe soles of a worker at the Forsmark reactor No. 1, about 160 kilometers from the site, trigger an alarm, leading to the discovery of the Chernobyl meltdown accident that occurred in the Ukraine five days earlier. Because of the vagaries of wind and weather, Sweden bore the brunt of the fallout.

Oct. 3: Ministry Says Waters Are Violated
Defense Minister Bengt Ostensson, new military commander-in-chief, announces he has proof of submarine violations in Swedish waters.

Oct. 6: Strikes Disrupt Public Sector Services
An estimated 20,000 workers in health, transport and other public services throughout the country demand pay increases matching those of the private sector. On Oct. 30, a settlement is reached giving Sweden's 1.5 million municipal and county employees pay raises of close to 8.8 percent over the next two years.



Ingvar Carlsson, who succeeded Olof Palme as prime minister.

All the indications are that the vast mass of Swedes feel more comfortable with Mr. Carlsson than they did with Olof Palme.

Neutrality Hones Exports Edge

By Juris Kaza

SWEDEN — West Germany regained its status as Sweden's number one export market in the first six months of 1986, after briefly losing to the United States during 1985. Other important markets were Britain, Sweden's immediate Nordic neighbors and France.

West Germany also ranked number one among importers to Sweden, along with Britain, the United States, the Nordic countries and Japan.

The days when Sweden was a supplier of iron ore and lumber on the frozen northern edge of industrial Europe are long gone, according to Bo Hansson, president of the Swedish Export Council, a trade promotion agency that is owned 50-50 by state and industrial interests.

"We have experienced a steady increase in the share of manufactured industrial products and other processed goods in our exports," Mr. Hansson said, adding, "manufactured goods are now around 50 percent of total exports, while minerals are less than 10 percent and forest products around 18 percent."

He predicted that West Germany, the United States and other European countries would continue to be the most important export markets for Sweden in the foreseeable future, "and our biggest competitors will be Germany and Japan in manufactured goods."

Commenting on the rise of the United States from seventh place in 1980 to first place in 1985 among Sweden's export markets, the Export Council president said that the nation's biggest export markets are not necessarily the most profitable for business.

"No other country," he said, referring to the United States, "has demanded so many sacri-

fices and efforts from Swedish business. The competition is intense there. It is the toughest market, absolutely, and it is underestimated by Swedes."

He added that one reason the Swedes did not avoid the pitfalls of the American market was because of the considerable exposure to American lifestyles and culture in Sweden that deceives businessmen into thinking reality in the United States is as open and easy as it appears on television.

Mr. Hansson predicted that "the big Swedish companies will hold their positions" in the U.S. market while "the medium-sized exporters will have a very tough time."

During the first half of 1986, Sweden posted a trade surplus of 20.5 billion kronor (\$2.9 billion), compared to 14.8 billion kronor for all of 1985 and 24.3 billion kronor in 1984. Although some observers predict a record

Continued on page 9

Care Without Flair

Model State Charts Pragmatic Course

By Chris Mosey

SWEDEN — It has long been commonplace for foreign observers to describe Sweden, after its rapid metamorphosis from a poor, agricultural backwater to a modern, high-tech welfare state, as a country that has lost its soul, its citizens' rural values at odds with modern urban civilization.

This year may well come to be seen as the year that it lost its conscience into the bargain. The assassination of Prime Minister Olof Palme on Feb. 28 robbed this small nation of 8.3 million inhabitants not only of its only mega-personality but also of its voice.

Palme was that curious mixture, an upper-class socialist. In what is probably the most conformist country in Western Europe, its population frequently criticized for its too easy acceptance of the dictates of authority, for putting the collective good before that of the individual, Palme's unorthodox, highly personal style, often veering to arrogance, was regarded with suspicion.

Yet it was precisely this, wedded to his considerable intellectual gifts, that had enabled him to drag Sweden onto the international stage and hold it there, an example and an admonishment to other less well-served social systems, other less altruistic foreign policies.

Sweden's much-publicized disagreements with the United States, first over Vietnam, later over Latin America, were instigated by Palme, projecting his own liberal conscience as that of his more inward-looking nation.

Palme remained firmly rooted in the idealism of the 1960s when he came to power, and, simplistically, in reality, he can perhaps best be understood as a European Kennedy, suffering at last the same fate as John and Robert from a reality at odds with his vision of how it should be.

It was Palme that set the parameters for Sweden's generous refugee policy. The country opened its doors to minorities battling for their rights in various parts of the world, the distinction between "liberation movement" and "terrorist organization" often ignored.

Already there are indications that Sweden will pursue a less generous immigration policy in the future. But on most other fronts, too, changes of emphasis are becoming apparent.

Palme's successor, Ingvar Carlsson, lacks all the contradictory qualities that made the murdered prime minister an international figure, that made him larger-than-life, generating either love or hate, seldom indifference.

Mr. Carlsson is pure, uncomplicated working class. He was born in 1934 in the town of Borås, his father a stockkeeper and truck driver, his mother a worker in a textile factory. His great love is that most working-class of all sports, soccer, which he still plays.

Apart from the occasional on which a boyish smile lightens a long, dark and bespectacled countenance, his charisma on a scale from one to 10 rarely flickers over the halfway mark.

He is a cautious, pragmatic person, feeling his way forward with care rather than flair, unwilling even on a traditionally "safe" liberal cause like South Africa, to go too far too soon.

Yet all the indications are that the vast mass of Swedes feel more comfortable with him than they did with Palme.

The reason seems to be that Mr. Carlsson is more likely to grow into the role they idealize for their statesman: that of a *lansjövärder*, a kind of national father figure running the welfare state efficiently and kindly, putting the country to bed each night with comforting stories that its population has never had it so good, rather than parables about injustice elsewhere in the world.

Already Mr. Carlsson has shown himself to

Continued on page 9

Competitiveness at Stake

Inflation Threatens After Strike

Some 1.5 million municipal and county employees will be getting pay raises of nearly 8.8 percent over the next two years.



Construction workers leaving an oil rig in Gothenburg.

SWEDEN — The settlement on Oct. 30 of Sweden's public sector employees' strike has raised fears that the economy will be dragged into a new wage-price spiral that will damage the nation's international competitiveness.

The strike disrupted day care, health, public transport and some postal and administrative services and would have been witnessed to affect customers, crippling Sweden's foreign trade, if a settlement had not been reached.

Some 1.5 million municipal and county employees will be getting pay raises of nearly 8.8 percent over the next two years, fractionally lower than a 9-percent pay hike that Finance Minister Kjell-Olof Feldt said would be unacceptable. Mr. Feldt said after the settlement that the new public sector wage hikes would probably cause a rise in municipal taxes and fees charged for public services in many parts of Sweden.

Until the fall, most economists had been saying that lower oil prices combined with a falling dollar would continue to benefit the Swedish economy for the rest of 1986 and probably well into 1987. Growth forecasts were raised as the year went on, and forecasts too looked for a record trade surplus, with the price of oil imports plummeting and exchange rate differences still favoring Swedish exports against West German and Japanese competition.

But an unexpected surge in the September inflation rate, up 0.9 percent from August and 2.6 percent from September 1985, has combined with labor market developments to give some economists second thoughts. What worries economists most is that inflation for all of 1986 will rise past 3.2 percent, triggering a new round of labor negotiations in January.

Those negotiations, warns Svenska Handelsbanken economist and vice-president Lillemor Carlsson's Social Democratic government forecast economic growth of between 1.5 and 2 percent in both 1986 and 1987. It forecasts record trade surpluses of 15.6 billion kronor in 1986 and 34.2 billion kronor in 1987, but cautioned that price and wage increases had led to Sweden losing some market shares.

Apart from the labor market conflict, eco-

nomist policy debate in Sweden has centered on the nation's tax system and Sweden's reputation as having some of the highest taxes on personal income in the world. Proposals for wide-ranging reform have come from surprising quarters in the Social Democratic government and its closely allied labor unions.

Finance Minister Feldt, in an apparently unguarded remark, expressed admiration for U.S. President Ronald Reagan's tax reform package, which aimed at reducing taxes to a simple, uniform, low rate on both personal and corporate incomes.

While Mr. Feldt's remarks drew considerable reaction from fellow Social Democrats, who generally regard Mr. Reagan's policies as arch-reactionary compared with the generous and egalitarian Swedish welfare state, a major white-collar union, SACO/SR, published a proposal for drastic tax reform and simplification that would have a similar effect to that in the United States.

Until the early 1980s, when a round of tax reforms were adopted under non-socialist administrations, the Swedish tax system was seen as a gold mine for anyone who could find the right deductions, since their marginal tax-sheltering effect would be as high as 80 or 85 percent of gross income.

Before a 50-percent limit on interest rate deductions was set, along with measures that reduced the marginal tax rate on more incomes to 50 percent, the Swedish internal revenue service essentially "bought" most new houses in the country with state-subsidized and tax-deductible mortgage interest.

Elaborate tax-planning by high-income individuals, especially the self-employed, still continues to irk the left wing of Sweden's Social Democrats, and the SACO/SR type of reforms would eliminate most of these possibilities while increasing, substantially, the after-tax incomes of both average and well-to-do Swedes.

another round of wage talks with people believing the price trend has turned up again."

The public-sector settlement avoided a clause that would have locked public employees' wages to private sector wages, breaking with earlier Swedish practice, but the issue could be rekindled if labor contracts must be renegotiated in January.

"Wage costs will rise 14 or 15 percent in 1986 and 1987, including 'overhang' from previous contracts. There will be pressure for tax increases, which in turn will cut into private sector incomes," he said. "All this will drive up inflation and destroy the competitiveness of Swedish industry."

Among more optimistic forecasters, Swedbank, the commercial bank owned by Sweden's savings banks, said that exchange rate developments favoring the krona against the yen and Deutsche mark would help the price competitiveness of Swedish exports despite domestic labor cost developments.

But even Swedbank warned, in an analysis prepared in September, as the strikes loomed, that "a slower rate of wage increases is absolutely necessary in the new international environment of lower inflation."

Lillemor Carlsson's analysis, PK-Banken economist Ole Djerf stressed that almost all the bright aspects of the Swedish economy in 1986 have been the result of lucky and unexpected international circumstances.

"The lower oil bill represents more than half the improvement in the balance of trade," he wrote in a recent analysis published by the bank.

In a report on the economy to the Riksdag, Sweden's parliament, Prime Minister Ingvar Carlsson's Social Democratic government forecast economic growth of between 1.5 and 2 percent in both 1986 and 1987. It forecasts record trade surpluses of 15.6 billion kronor in 1986 and 34.2 billion kronor in 1987, but cautioned that price and wage increases had led to Sweden losing some market shares.

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Juris Kaza

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ABSOLUT ELEGANCE

Corporate 'Kings'

Deficit Pales Euromarket's Glow

By Juris Kaza

STOCKHOLM — The Nordic nations are no strangers to the Euromarket, least of all Sweden, by far the most active and home to some of its most sought-after borrowers.

In recent years, banks based here, too, have increased their muscle as active participants on the markets, carving out special niches where their Nordic background is a profitable advantage.

What has lured almost all the world's banks to at least regularly call in Stockholm — as well as Copenhagen, Helsinki and Oslo — have been the corporate "kings" and offshore oil platforms dotting the region.

The "kings" came largely to finance the generosity of the Scandinavian welfare states that grew up around the ceremonial thrones in the Kingdom of Denmark and the Kingdom of Sweden. In the early 1980s, Sweden was considered one of the world's most attractive, innovative and demanding Euromarket borrowers. But as government deficits shrank and the mandate switched from making stunning new deals to shuffling around old debt on better terms, the kingdoms faded on the markets.

Left are the "kings" of the region's industries. Corporate leaders such as ASEA president Percy Barnevik, Volvo chairman Pehr G.

Gyllenhammar, and Electrolux chairman Hans Werthen presently some of the world's best known multinationals that happen to be Scandinavian. Profits, to be sure, have been at record levels for many Swedish multinationals. High profitability has increased Swedish corporations' chances to exploit new financing techniques and markets, since borrowers can hardly be choosers.

"The Euroequity has generated much inter-

As government deficits shrank, the kingdoms faded.

est among Scandinavian clients, and there are many who can make use of it," says Jonathan Paine, a director in charge of corporate finance at London's Enskilda Securities, an investment bank owned by Sweden's Skandinaviska Enskilda Banken, the Nordic region's largest commercial bank.

Enskilda Securities competes with rival Svenska International, owned by Svenska Handelsbanken, for position of the world's single largest manager of international equity issues for Scandinavian corporate clients. To be sure, other major Nordic banks work the London market from well-established subsidiaries, but because of the region's corporate structure, this world-class contest often pits Swedes against Swedes.

Sovereign borrowing by Sweden hit its heyday in the early 1980s, when Pehr Engström ran the international loans department of the National Debt Office. Now Mr. Engström has left to become a deputy managing director at Union Bank of Switzerland in London.

His replacement, acting director of the international loans department, Göran Nydén, says "we are no longer a net borrower but will be a net repayer in 1986."

The main activity of the Debt Office is "debt management, including interest rate swaps, re-arrangement of the portfolio to cut costs," Mr. Nydén said.

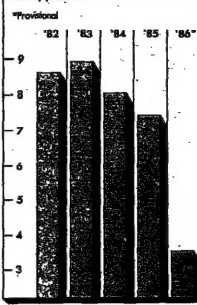
Since the start of the year, Sweden has reduced its foreign debt to 128 billion kroner from 135 billion kroner.

Mr. Nydén maintains that Sweden still uses innovative techniques.

"We work with Euronotes, and since September we have a program of short-term notes in the U.S., which allow us to borrow funds from a few days to six months," he said.

Inflation

Inflation eased to 4 percent in 1986 but wage costs — expected to rise 14 to 15 percent over the rest of the year and into 1987 — and mounting pressure for tax increases are expected to cut into private sector incomes, rekindling inflationary pressure.



Model State on New Path

Continued from page 7

be a sound administrator and defender of the welfare state.

He held firm this autumn as militant public-sector unions staged industrial action that disrupted hospitals, day-care centers and public transport, rejecting their demand for pay parity with private industry, which would have threatened Social Democratic anti-inflationary policies.

The timing of the unions represented a watershed in domestic political life, as its long key was probably comparable with the crushing of union militancy in Britain by Prime Minister Margaret Thatcher.

The industrial action had attracted widespread public hostility, and Mr. Carlsson's popularity, along with that of his equally pragmatic finance minister, Kjell-Olof Feldt, and the Social Democratic Party in general, has only benefited from this triumph over the unions.

The neo-socialist opposition parties are left floundering, already badly hit earlier in the year by the resignation of two leaders.

Thorbjörn Fälldin, a former prime minister, quit the chairmanship of the agrarian-based Center Party and was replaced by Karin Söder, a puritanical woman unrepresentative of the traditional stereotype of liberalized Swedish womanhood. Her main claims to



Kjell-Olof Feldt.

frame are the shutting down on Saturdays of the state liquor stores and a crackdown on Stockholm's notorious sex clubs, both during her tenure as minister for social affairs in Mr. Fälldin's second administration from 1979-1982.

Ulf Adelösten resigned the leadership of the conservative Moderate Party. At the age of 44, he said it was taking too much of his time. He was replaced by the party's defense spokesman, Carl Bildt, who is 37.

In the highly improbable event of the neo-socialists being asked to form a government after the next elections in 1988, the most likely candidate for the prime ministership is now Liberal leader Bengt Westerberg, 43, who was appointed in 1983.

As the country sought to come to terms with the assassination of Palme, the nuclear disaster at Chernobyl in the Soviet Ukraine deposited heavy fallout along the east coast and over Lapland, resawakening controversy over Sweden's own nuclear power program.

The most likely effect will be for the government to bring forward the deadline already agreed on for a shutdown from 2010 to 1996.

To lighten what has been a dark year for Sweden, there was a fitting parliamentary celebration of Palme's efforts on behalf of world peace, the European Security Conference in Stockholm, which coincided with the first East-West arms agreement since SALT-2 in 1979.

There was a brief blaze of publicity, then the delegates left. As a stroke, Stockholm became less international.

The year's one indelible image was that of Palme's cortege winding through central Stockholm to the banging of muffled drums, the red flags of the Swedish labor movement bright against a darkening winter sky.

Now as Sweden awaits the onslaught of another winter, the country seems to be valiantly shrinking back into itself, the liberal hopes and aspirations it held for the world blighted by violence, a nation that believed in fair play robbed of its innocence by a shot in the back.



Volvo trucks ready for shipment at the Gothenburg assembly plant.

Neutrality Hones Exports Edge

Continued from page 7

trade surplus for the whole year, the apparent boom must be seen against the background of sharply lower oil prices and years of trade deficit through 1982, during which Sweden accumulated a considerable foreign debt.

Manufactured goods accounted for 47 percent of exports, or 63.2 billion kroner, in the first half. Motor vehicles, essentially the combined export output of automakers Volvo and Saab-Scania, account for between 12 percent and 15 percent of exports, and their share is growing, according to Mr. Larsson.

Anders Hedberg, executive vice president of the Gothenburg-based Elof Hansson trading group, cautioned against citing the glamorous high-tech label on too much of Sweden's foreign trade.

"If you look at the statistics, you will find that the main proportion of Swedish export is still in areas that cannot be considered that very high technology," Mr. Hedberg remarked. "I would not say that, for instance, a car today is a very high technology item. We are of the opinion that if the Swedish standard of living will be retained, we will continue to export paper, pulp and [forest industry] machines."

Paper and pulp trading comprises a high proportion of Elof Hansson's annual turnover of 2.7 billion kroner, mostly on transactions outside of Sweden. Against the trend of many Swedish companies to concentrate their direct export marketing efforts on the major industrial nations, Elof Hansson and its competitor

trading companies — mostly in Gothenburg — concentrate on the niche of serving distant, small or odd markets as import/export middlemen.

"Elof Hansson has a deep knowledge of sales to countries normally outside the main markets of the producer, markets with so small sales they are of little or no strategic value," Mr. Hedberg said. "However, for Elof Hansson they are considered main markets and are penetrated on a regular basis."

Although few Swedish traders admit it, Sweden's neutrality is an important marketing tool, especially in the Third World where customers, for political reasons, want to avoid direct economic ties with one or the other global power bloc. At the same time, Swedish-based international businesses have not become totally devoid of national identity.

"Sweden has a large number of multinational corporations which carry the national flag, in that they make it clear where they come from," remarked Carl Johan Åberg, undersecretary of state for foreign trade.

With the recent shuffle of the Swedish cabinet that replaced Foreign Trade Minister Mats Hellström with Immigration Minister Anita Östlin, (Mr. Hellström became agriculture minister) high-level professional administrators such as Mr. Åberg play an important role in maintaining continuity of Swedish trade policy.

Although the government is pleased with Sweden's high trade surplus, still reflecting some effects of the devaluation of the krona undertaken when the Social Democrats returned to power in 1982, a few years of high

surpluses are not seen as sufficient to restore long-term balance to the economy.

Moreover, even as international factors such as oil prices and foreign exchange fluctuations bring unexpected benefits to Sweden, there are unsettling developments in the nation's domestic economy.

"We are on the right path but we are not at the goal, because we have a target to cut down our international debts," according to Mr. Åberg of the Foreign Trade Ministry. In an interview last month, Mr. Åberg said that the ongoing strikes in the public sector were a major threat to the nation's international competitiveness.

"If the public sector employers give in, we run the risk of getting back to the too-high wage costs that so badly afflicted the Swedish economy in the 1970s," he declared.

Despite worries in the press that the strikes this fall would tarnish Sweden's image as an orderly, strike-free nation, Mr. Åberg, who travels extensively in his post, said: "The Swedish image on distant markets is high tech, high quality. This is a bundle of characteristics that is not spoiled by the strikes as yet."

Beyond the strikes, Mr. Åberg is hopeful that the forthcoming round of trade talks under the General Agreement on Tariffs and Trade will restrain the world's major industrial powers from taking unilateral or bilateral actions in restraint of free trade.

JURIS KAZA, a regular contributor to the International Herald Tribune, is a financial journalist based in Stockholm.

IT'S BEEN ROAD SAFETY YEAR AT VOLVO EVERY DAY FOR MORE THAN 40 YEARS.

- 1944 Laminated windscreen
- 1944 Safety cage
- 1954 Windscreen defroster
- 1956 Windscreen wipers
- 1956 Safety steering column with shear coupling
- 1957 Front 2-point safety belt anchorage
- 1958 Rear safety belt anchorage
- 1959 Front 3-point safety belts fitted
- 1960 Padded instrument panel
- 1965 Brake servo and rear pressure limiting valve
- 1966 Rear window defroster
- 1966 Triangle split braking system
- 1966 Anti burst door locks
- 1966 Roll-over bar in roof
- 1966 Impact-absorbing body sections front and rear
- 1966 Multi-adjustable safety seat
- 1966 Impact absorbing steering column
- 1967 Seat anchorage of safety design
- 1967 Rear safety belt fitted
- 1968 Head restraints front
- 1968 Heated rear screen
- 1969 Inertia reel belts front
- 1971 "Fasten safety belts" warning light
- 1971 Inertia reel belts rear
- 1972 Child proof door locks
- 1973 Headlight wiper/washers
- 1973 Side impact members in doors
- 1973 Crumple zone in steering wheel
- 1974 Shock-absorbing bumpers
- 1974 Multi stage impact-absorbing steering column
- 1974 Fuel-tank isolated and protected from rear impact
- 1974 Built-in integrity sensors
- 1974 Audio-visual belt reminder
- 1975 Stepped-bore brake master cylinder
- 1975 Day running lights
- 1975 Anti corrosion bridge pipes of special alloy
- 1979 Wide angle rear view mirror, eliminating "dead zone"
- 1982 Anti-sunblinding guards in seats
- 1982 Fuel tank forward of rear axle
- 1984 Non-locking brakes (ABS)
- 1985 Electronic traction control (ETC)
- 1986 Safety belt pre-tensioner

VOLVO
Making Cars Safer

Notes and figures differ from one market to another and from one model to another. The specifications of the Volvo 760 may vary from market to market. The Volvo PV444 introduced in 1964, was the first car to be made at the Volvo facility, Volvo Car Corporation, S-465 08 Göteborg, Sweden.

Fallout ■ Defense Issues ■ Tourism



Workers go through radiation control checks at the Forsmark nuclear plant.

The Deadly Wind of Chernobyl

By Chris Mosey

STOCKHOLM — If you feed the carcasses of a radioactive reindeer to mink, will you then produce radioactive fur coats?

The answer is not what fur producers in Sweden are worried about is that, despite all scientific evidence to the contrary, potential customers who hear that Swedish mink have been fed reindeer must declare unfit for human consumption because of high amounts of radiation, will switch to furs from other countries for fear of glowing in the dark.

The dilemma facing the fur industry is just the latest in a long string of consequences stretching back to the morning of April 28 this year when alarm bells rang at the Forsmark nuclear power station, 160 kilometers (99 miles) north of Stockholm. Radiation four times normal background levels was found on the soles of the shoes of a worker leaving a controlled area near Reactor No. 1.

Similar checks on workers leaving the other two reactors revealed similar levels and the decision was made to evacuate the plant. As the evacuation got under way, scientists checked all three reactors for leaks. Nothing was found.

Then reports of increased radiation began coming in from other parts of Sweden and from Denmark and Finland.

Meteorologists checked wind patterns and said all the evidence pointed to a leak from a nuclear power plant in the Soviet Union.

As is well known now, it was far more than a leak. The cumbersome Soviet bureaucratic man-

chine, prodded by its new master, finally admitted the truth later that night.

A meltdown had occurred in the fourth reactor at the Chernobyl nuclear plant in the Ukraine two days before.

Because of the vagaries of wind and weather, Sweden bore the brunt of the fallout reaching the West from this, the worst nuclear disaster in history.

The consequences — at their most bizarre concerning fur coats — are still being felt. As a direct result of Chernobyl, the Radiation Protection Institute in Stockholm estimates that an extra 200 deaths from cancer will occur in the next 50 years in areas of Sweden worst hit.

These include the east coast town of Gävle, the city of Sundsvall further up the coast and Lappland, where most of the reindeer killed in the autumn slaughter were found to contain unacceptably high levels of the radioactive substance cesium 137. The carcasses were condemned as unfit for human consumption.

It was decided to feed them to mink instead, though whether the mink producers will finally accept the meat remains at present uncertain. Either way the Swedish government will be left with a bill for millions of kronor in compensation promised to both the Lapp reindeer herders and to farmers, forced to harvest radioactive grass for burial on communal tips, to pour away thousands of gallons of unfit milk and to keep cows indoors until radiation levels had fallen.

American tourists stayed away — though not in the numbers originally feared — and it is difficult to say how much they were influenced by the fallout from Chernobyl, how much by

the American air raid on Libya and the threat of retaliation against U.S. tourists in Iran by Colonel Moammar Gadhafi.

It was a particularly savage irony that Sweden, a country that has agonized so much about its own nuclear plants, should be subjected to such indignity as Chernobyl.

In 1980, Sweden voted in a national referendum, the fourth in the country's history, to retain its 15 nuclear reactors only until the year 2010.

Now the government is studying a proposal that this deadline be advanced to 1996. There is also increased pressure both from within Sweden and from Denmark for the still earlier closure of the Barsebäck nuclear power plant, situated in an area of high population in the south of Sweden, just 20 kilometers (12.3 miles) across the sound from Copenhagen.

The People's Movement Against Nuclear Power, formed for the referendum, was on the verge of dissolution until the Chernobyl disaster.

It gained momentum, as did the Swedish Greens. One public opinion poll showed them likely to be entitled to membership of parliament under Sweden's system of proportional representation if an election were to be held this year.

However, as it is, the country is not scheduled to go to the polls before 1988, and memories may have dimmed by then. Already there is evidence that, notwithstanding Chernobyl, the anti-nuclear movement was fewer supporters than it did six years ago. A march on Barsebäck this summer attracted only a few thousand people.

Soviet Submarine Intrusions Have Buoyed Military Budget

By Bengt Ljung

STOCKHOLM — When a Soviet submarine armed with nuclear weapons is spotted close to a Swedish naval base Oct. 27, 1981, Sweden got a shock that has not yet eased.

The submarine crew tried to clear the underwater rock, but the next morning a fisherman discovered the vessel. He alerted the Swedish Navy, which went into action — 14 hours after the submarine became stranded in a restricted military area.

The military was embarrassed, and neutral Sweden lost its innocence. Sweden awoke to the realization that their country no longer was a quiet corner of the world.

Recurring sightings and chases by the navy of suspected submarines over the past five years have colored Sweden's defense debate and demonstrated its increased strategic importance.

"It was definitely a turning point," said Jan Wogel, a top official with the Swedish Peace and Arbitration Society, an independent disarmament lobby. "Because of the submarine, the defense bill of 1987 will be a decision to increase armaments."

The bill Mr. Wogel referred to is the first five-year defense plan to be fully affected by the submarine intrusions and will reverse a long downward trend in military spending. The defense budget dropped steadily to 2.9 percent of gross national product from 4.2 percent in the 20 years leading up to the fiscal year 1985-1986.

General Bengt Gustafsson, who became the commander-in-chief Oct. 1, says the public debate is more favorable to defense spending now than when his predecessor assumed the post six years ago.

Politicians don't speak about where to cut defense today but where to boost it," he said. From inside the parliament, Conservative Party leader Carl Bildt, a defense expert and a member of the defense committee, said the legislative attitude had become more realistic.

The committee's four major parties agree on the threat to national security and are now deliberating over how much and in which areas to increase the military budget, he said. Next month, the committee will try to present a joint proposal for the 1987-1992 period.

The Soviet Union has constructed the world's largest naval base at Murmansk on the Kola Peninsula, which has increased Scandinavia's strategic importance. Retired British Colonel George Ridsby, an analyst affiliated with the London-based Institute for European Defense and Strategic Studies, said the base had brought Sweden to the strategic center stage.

"Sweden is the key to the northern flank, and the northern flank is the key to Central Europe," he said.

Strategists think a war in Europe would include Scandinavia. The region could be a

goal in itself or a first target to unlock the German front.

An attack against Sweden by any of the military alliances, the Warsaw Pact or the North Atlantic Treaty Organization, would probably be a lightning strike, the defense committee says in its 1984 report. The alliance would be more likely to use this tactic in order to avoid escalation to a nuclear war by presenting the opponent with a fait accompli.

The superpowers are now better able to administer a surprise blow because of their enhanced troop mobility. But General Gustafsson said Sweden only needs a couple of days to mobilize essential military units.

Even if war starts by a surprise invasion and without preparations, the attacker risks a

Suddenly, people realized that Sweden was no longer a quiet corner of the world.

time lapse between the first strike and the second, when we can overpower the first units," he said.

General Gustafsson said he needs every one of the 50,000 young men who go through compulsory military training each year.

While military advocates favor a traditional defense emphasizing heavy equipment and large forces, critics want to restructure and scale down the military. The Peace and Arbitration Society would prefer a smaller, cheaper "shell defense" of light high-technology weapons coupled with a stronger push for international disarmament.

"Our main criticism is that the defense is poorly adapted to the actual threat," Mr. Wogel said. "The military and the politicians are still envisioning the old improbable threats from World War II."

He considers the showpiece of the nation's military, the Swedish-made jet fighter Viggen, superfluous, while General Gustafsson proudly compares it with the best jet fighters.

"Our air force is the same size as France's, but we cover a large air space between the military alliances," General Gustafsson said. "We've chosen neutrality, and have to appear capable of keeping the air space clear."

Modern weaponry is expensive, and Sweden produces most of its own. But some experts doubt that Sweden can continue to afford developing technically sophisticated weapons.

"We'll have difficulties keeping up in the long run," said Hans-Henrik Rosnow, military expert at the Swedish Institute of International Affairs, a government-funded think tank. "Smaller states, like Sweden, have to jump off the wagon earlier."

But the Conservative leader, Mr. Bildt, said careful estimates show that a modern military, including a state-of-the-art jet fighter, is affordable.

Critics say the dependence on Western technology casts a shadow over Sweden's professed nonalignment. Out of a defense budget of 2.5 billion kronor (\$533 million), Sweden spent 1 billion kronor on arms procurement and research and development in fiscal year 1985-1986. About 30 percent of the arms were imported, but Mr. Bildt said Sweden produces more of its own weapons than any other neutral country and is therefore less dependent.

Björn Hagelin, a researcher at Uppsala University and the author of several books, said that "a brotherhood of common interest" among politicians, the arms industry and the military is arming Sweden unilaterally by advocating a bloated defense fit for a major power.

Mr. Wogel said the "brotherhood" has an "internal sluggishness" that keeps the current defense structure from changing. Instead of adapting strategy to the threats, the politicians and the military make the threats fit the defense they want, he said.

In the 1970s, Mr. Wogel said, during the debate over whether to produce a new Swedish jet fighter to succeed the Viggen, arguments over savings jobs and developing technical competence at the manufacturer Saab-Scania obscured military needs. The scales tipped for a Swedish fighter, the Gripen, which will be ready in 1992.

Although few experts believe Sweden would yield to pressure, some speculate that the submarine intrusions could be part of a plan to influence Swedish defense policy. Mr. Rosnow of the Institute of International Affairs said the Soviet Union could have a long-term goal of weakening Sweden's belief in neutrality by a show of force.

NATO, on the other hand, has the most to gain from a stronger Swedish defense, since the Murmansk base overshadows the region and NATO-member Norway stations to allow foreign troops to be stationed on its territory. Experts agree that if NATO submarines, pretending to be Soviet, have played cat and mouse in the Swedish archipelago, the stakes have been high. A NATO submarine caught near Sweden would make a terrible loss of face while a successful imposture could make Sweden spend more on defense.

BENGT LJUNG is a Stockholm-based political journalist, formerly with the Associated Press.

Tourism Industry Is Reeling From Blows to Europe's 'Safe' Country

By Delice Gan

STOCKHOLM — American tourism to Sweden dropped alarmingly this summer as a result of general fears of increased terrorism in Europe and, more specifically, the Chernobyl nuclear disaster, which deposited heavy fallout along the Swedish east coast.

The Swedish Tourist Board said the number of tourists from the United States during May-September amounted to only 258,000, a decline of 147,000 or 37 percent from the same period last year.

Agatha Florin, a tourist board official, described the fall as "a bitter disappointment." Sweden had expected an all-time tourist high of around 550,000 brightspots for the whole year following a promotional trip to New York headed by Björn Borg, Sweden's international tennis star. This compares with a total of 500,000 for 1985.

Ignorance about holidays in Sweden was 50 percent up after the Borg visit, and everything pointed to the fact that the tourist board target would be exceeded.

Then after Chernobyl actual bookings plummeted, with a 25-percent cancellation rate, and Tourist Board representatives

abroad were recalled to Stockholm for talks on how to repair the damage done by the Soviet disaster.

"If we can just recover in 1987, we will be thankful," said Miss Florin. "There is a limit to what we can do. We can only explain that all the fallout scare stories were exaggerated and hope people would use their common sense."

Others in the tourist trade feel that only by 1988, barring any negative events, is a pattern of normal growth of between 3 percent to 5 percent expected to return.

"We lost out on 1986," said Dan Stenfeldt, Sherman Ho-

tel's marketing director for Scandinavia. "We will probably reach the 1985 level next year. We will not reach what we anticipated for 1987."

In 1985, the industry was buoyant, with a 20 percent increase in 200,000 growth in bookings among foreign visitors, prompted by a strong U.S. dollar. And following the terrorist attacks in Vienna and Rome in December 1985, it started to prepare for an influx of tourists to Sweden in the peak months of May to August.

However, the idea of Sweden as a safe destination was already being set back in February when Prime Minister Oluf Palme was

assassinated in central Stockholm.

This year, hotels and tour operators were able to cut their losses by offering more summer specials to Nordic and European visitors. SAS, the Scandinavian airline system, for example, offered an 80-percent discount on its northern fares to passengers traveling within the region.

Efforts were also made to increase domestic tourism. This paid off with growth of more than 6 percent in domestic travel, and helped put the industry in the black.

Nonetheless, the loss of a sizeable chunk of the overseas market, among the big-spending Americans, put a dent in profits. Some Stockholm hotels, which normally attract tour groups, have lost 5 million kronor

(\$712,000) to 6 million kronor in turnover.

The decline in tourists also exposed some of the soft spots in Sweden's young industry, particularly its lack of aggressive marketing abroad. Another problem is that marketing has been mainly subsidized under a Scandinavian industry. Much of it has been done in conjunction with SAS and at times with the Danish and Norwegian tourist boards. (Denmark has had a head start since it has been on the tourist map for years.)

The fall in tourists also underscored the need for concerted action among Swedish groups. As a result, a joint marketing body, planned by the tourist board, the Swedish Hotels and Restaurants Association and credit card com-

panies, will be launched next year.

In October, the government appointed its first tourist minister, Ulf Lönnqvist. He said that the post underlines "the importance that the government attaches to the tourist industry." He added that Sweden needs to market tourism abroad "better than has been the case."

Industry officials say that the tourist board, which also develops domestic tourism, has lacked adequate funding. Last year it received 80 million kronor from the government and 15 million kronor from industry. It is asking for a total of 136.7 million kronor next year.

DELICE GAN is a Stockholm-based correspondent for The Straits Times of Singapore.



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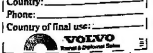
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EUROBONDS

Bankers Alarmed by Rush To Do Business at Any Cost

By CARL GEWIRTZ

PARIS — Prudence has never been the Eurobond market's strong suit. From the market's inception almost three decades ago, government regulators have swung their hands in public worry about it. Now, bankers themselves publicly express alarm — about the pace of financial deregulation that is blurring the once-clear distinctions between the banking and securities markets, between domestic and international business and between institutions jockeying for a major role in the global market.

Distribution "has been replaced by positioning, or speculation."

The scramble to become global, to have a presence in London, Tokyo and New York as well as in other centers deemed important by the City of London, has become a race to the bottom. Paris and London, it is said, are in other centers deemed important by the City of London, has become a race to the bottom. Paris and London, it is said, are in other centers deemed important by the City of London, has become a race to the bottom.

HE SAID that more and more national banks were being replaced by outright speculation. "Even relatively small firms today do not stay away from taking positions which go up to \$1 billion."

Too often, he said, these positions are based on computer analysis. "Computers have finally solved our problem of how to judge markets," he said. "Mathematical calculations show you what the securities are worth."

Mr. Rudloff also criticized the total neglect of the final investor, who gets sold today many instruments which he can't handle. "Banks abuse his unfamiliarity to take advantage," — a misuse of the public "that will come back and haunt us," he said.

These are the different prudential standards that result from the fact that banks and securities houses are regulated by different authorities. The problem is exacerbated in the international arena by the fact that national authorities are trying to assure that their markets can compete for a share of the global bond market.

Meanwhile, all seem to agree that the competition is getting out of hand. In the Eurobond market last week, a \$300-million floating-rate note from Rhine-Polenia met resistance at the first paring to be issued by a nonbank entity.

This is as close as Rhine-Polenia can come to raising its capital without leaving new shares. The government-owned company is on the list of French companies to be sold to the public, but the date for the sale has not been set.

This capital increase is designed as a stopgap, evidenced, says See EUROBONDS, Page 13

GATT Warns on Growth

Cites a Spread Of Protectionism

Compiled by Our Staff From Dispatches

GENEVA — Spreading protectionist tendencies will slow world economic growth, the World Trade Organization (WTO) warned in a report to be published Monday by the 23-nation General Agreement on Tariffs and Trade.

Nonetheless, world trade will expand by 4 percent this year from 3 percent in 1985, the group said. In September, GATT forecast an expansion in trade of only 3.5 percent in 1986. The higher forecast is because of a sharp recovery in fuel exports, according to the report.

Recent increases in protectionism are disturbing, the study noted. "Even without open trade wars, a continuation of current trends could seriously undermine the benefits of the world economy," GATT said.

Trade volume has not picked up as expected, the report said. The effects on industrial countries' economic activity from changes in exchange rates, lower interest rates and cheaper oil were weaker than envisaged.

The report said the only buoyant area in 1985-86 had been merchandise exports. Among the most successful, automotive and electronic products accounted for 9 and 7 percent, respectively, of world exports in 1985.

Developing countries were hurt worst by falling food and commodity prices, the report said. It noted that the Third World's share in the value of world trade has fallen since 1980 from five percent to three percent.

Third World income from exports of manufactured goods is likely to top earnings from fuels in 1986, the study said.

These from the first 10 months of this year indicate that West Germany will replace the United States as the world's largest exporter in dollar terms, the study said.

But this mainly reflects the fall in the dollar's value, and the United States will remain the biggest trading nation, GATT said.

(Reuters, AP)

Shetlands Return to Tradition As Oil Revenue Ebbs Away, Knitting Provides Income

By Sandra Maler

LERWICK, Shetland Islands — The rugged Shetlands, swept into the 20th century by the North Sea oil boom, are going back to their traditional knitting, fishing and crofting as the tide of oil revenue ebbs away.

But these remote islands, off Scotland's north-east coast, are slightly updating their ancient ways of subsistence and wool carding by which previous generations survived the harsh conditions of life in the middle of the North Sea.

Income from Western Europe's largest oil terminal at Sullom Voe, just north of the main Shetlands town of Lerwick, have financed the building of the islands' only wool spinning mill, and removed Lerwick's fishing port.

Sullom Voe, an impressive, futuristic oil city that seems to belong more to science fiction than to the desolate landscape, still provides 80 percent of the Shetlands' annual revenue of \$26 million (\$92 million for a population of 23,500 is by far Britain's highest per capita).

The money, however, has not spoiled the islands, which retain their character. The hardy Shetlanders still live in grey granite cottages with black slate roofs. A feeling of isolation lingers on the barren islands, where trees cannot grow because there is too much wind and where often the only life in sight are birds and sheep.

Hotel prices of £70 a night, similar to those in London, have not affected the Shetlanders, who philosophically reject, now that oil prices have crashed, that the oil was never really part of their islands.

Wool, not oil, provides their roots. They still insist on knitting by hand. Long before the Shetlands acquired their value as a convenient port of call between the mainland and offshore fields when Britain discovered oil in the North Sea in the late 1960s, the islands were famous for their high-quality, springy wool and intricate knitting patterns. Shetlanders kept sheep, and the women knitted in their cottages, while sitting by the fire or walking to sea from the post.

Nothing much has changed. Women still knit at home with wool from their own sheep. The ladies knit the garments in their own homes and then bring them in to us, let us say, then, we check them out as we like them we buy them," Greta Munro, chief buyer for a wool shop in Lerwick, said.

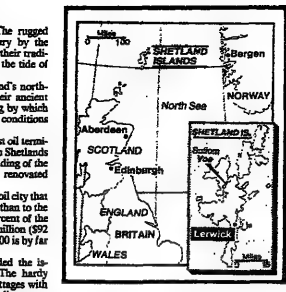
"They mostly knit their own designs. Sweaters are hand-knitted, not mass-produced," she said. "One sweater would take more than a week to knit."

Her shop buys from at least 300 cottages across more than 100 islands that make up the Shetlands. "There's one factory in the Shetlands, but 99 percent of what we sell is cottage industry," she said.

The buyer said the major change in the industry was the new mill, which now allowed Shetlanders to spin their own wool instead of sending it to mainland Scotland to be spun.

Pete Jamieson, in charge of the mill in the village of Sandness, said it was built three years ago by the local council with money directly from Sullom Voe's profits.

He said the mill exported yarn and garments to Japan, Italy, the United States and Scandinavia. He said many women who also did farm work had small knitting machines.



Shetland Islands map showing location in the North Sea, north of Scotland.

Purchasers Say U.S. Economy Still Sluggish

The Associated Press

NEW YORK — The U.S. economy continued its recent pattern of sluggish growth in November, with production and new orders again showing modest increases, corporate purchasing managers said in a survey released Sunday.

But the managers' trade group, the National Association of Purchasing Management, said that more of its members also reported lower employment levels than in any month since January 1983.

The advance of new orders suggests a healthy level of production in January, after the traditional seasonal drop that can be expected in December, said Mr. Bretz, who is also director of materials management for Finney Bowes Inc., a maker of machine tools and fasteners.

The association said its composite index of economic activity slipped to 51.3 percent in November from 51.9 percent in October. A reading above 50 percent generally signals that the economy is expanding, the association said.

November was the fourth consecutive month that the index has been over 50 percent. Each month the group surveys the officials in charge of purchasing materials and products at 520 industrial concerns.

In November, 28 percent of those surveyed reported an increase in new orders, while 18 percent said orders declined and 54 percent reported no change. Twenty-two percent also reported higher production levels and 17 percent said output fell.

Employment showed a significant decline, with 32 percent of the buying agents reporting lower employment. Nine percent said their companies added jobs and 59 percent said there was no change. The percentage of companies

with lower employment was the highest since 36 percent of the purchasing managers reported a drop in January 1983, the association said. In October this year, 22 percent reported a decline in employment.

At 67 percent, 17 percent of the agents reported paying higher prices in November, while 5 percent said prices fell and 78 percent reported no change.

Other recent data from the federal government also indicated the economy continues to expand sluggishly.

Last Tuesday, the Commerce Department said that new orders for durable goods, items expected to last three years or more, tumbled 6 percent in October, their steepest drop since April 1984.

Brunei Charges 5th Man With Fraud on Bank

By Reuters

KUALA LUMPUR, Malaysia — A fifth man has been charged with fraud and conspiracy over losses by National Bank of Brunei Bhd totaling 1.3 billion Brunei dollars (about \$594 million), the official Television Brunei said on Sunday.

Chiew Sung Ching, 43, a Singaporean, one of the bank's authorized signatories, was charged Saturday with falsifying accounts and conspiring with the bank's chairman, Khoo Ban Hock, to provide excessive loans to companies related to the Khoo family without collateral.

A Brunei court ordered Mr. Chiew to post bail of 10 million dollars. The television said. The four other defendants are Mr. Khoo, who is the son of the Singapore-based hotel and real estate magnate Tan Sri Khoo Teck Poo; the bank's executive director, Chen Ping Fong; and Andrew Peattie and Bernard Soo, auditors.

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said Professor J.B. De Boer, the conference's keynote speaker.

EUROPEAN COMMUNITY Ministers Set New Budget, But Old Ills Remain

By Peter Mass

BRUSSELS — European Community ministers have agreed on a new budget that fails to tackle old problems. This is the conclusion of most experts after budget ministers set a 1987 spending plan of 36.2 billion European currency units (\$38.0 billion). The budget is set for 20 years of talks last week, will probably exceed revenues by several billion.

What ministers expect even more is that the budget does not include any measures that reform the Common Agricultural Policy, which in 1987 will cost about 24 billion ECU, or about two-thirds of the budget.

The ministers rejected a call by the European Parliament for a special 2.5-billion ECU fund to dispose of the community's bulging farm stocks. The surplus represents 1987 of 1.5 million metric tons of butter, 500,000 tons of beef and 16.4 million tons of grain.

In a hollow gesture of support for the Parliament's surplus-disposal plan, the ministers created a new spending category in the budget for "measures to secure reductions in agricultural stocks." However, no money was allocated for such measures.

The budget, which represents a 3-percent increase over the 1986 spending plan, is to go back for a final vote by the Parliament. The Strasbourg-based institution has limited powers over the final spending plan, but it can ask for certain changes.

A supporter of a change in CAP, the Parliament is likely to be disappointed with several elements in the ministers' budget plan. For example, the 2.5-billion ECU fund to dispose of the community's bulging farm stocks. The surplus represents 1987 of 1.5 million metric tons of butter, 500,000 tons of beef and 16.4 million tons of grain.

European TV Venture Ended Over \$5 Million The first pan-European public television station, launched with high hopes last year, has ended with at least \$5 million in unpaid bills.

Europa TV, a joint enterprise between public media authorities in the Netherlands, Italy, Ireland, Portugal and West Germany, was taken off the air Friday.

It demise came a month after it received a \$1-million loan from the EC Commission. Officials in Brussels are not sure what happened to the money, and there is private talk of an investigation or court action to recover the funds.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes				Money Rates			
United States	Nov. 28	Nov. 27	Nov. 26	United States	Nov. 28	Nov. 27	Nov. 26
DJ Index	19,128	19,123	19,123	Discount rate	5 1/8	5 1/8	5 1/8
NYSE	1,015	1,015	1,015	Federal funds rate	5 1/8	5 1/8	5 1/8
Amex	1,015	1,015	1,015	Prime rate	7 1/4	7 1/4	7 1/4
DJ 100	1,015	1,015	1,015	3-month T-bill	5 1/8	5 1/8	5 1/8
DJ 200	1,015	1,015	1,015	6-month T-bill	5 1/8	5 1/8	5 1/8
DJ 300	1,015	1,015	1,015	9-month T-bill	5 1/8	5 1/8	5 1/8
DJ 400	1,015	1,015	1,015	12-month T-bill	5 1/8	5 1/8	5 1/8
DJ 500	1,015	1,015	1,015	18-month T-bill	5 1/8	5 1/8	5 1/8
DJ 600	1,015	1,015	1,015	24-month T-bill	5 1/8	5 1/8	5 1/8
DJ 700	1,015	1,015	1,015	30-month T-bill	5 1/8	5 1/8	5 1/8
DJ 800	1,015	1,015	1,015	36-month T-bill	5 1/8	5 1/8	5 1/8
DJ 900	1,015	1,015	1,015	42-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1000	1,015	1,015	1,015	48-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1100	1,015	1,015	1,015	54-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1200	1,015	1,015	1,015	60-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1300	1,015	1,015	1,015	66-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1400	1,015	1,015	1,015	72-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1500	1,015	1,015	1,015	78-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1600	1,015	1,015	1,015	84-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1700	1,015	1,015	1,015	90-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1800	1,015	1,015	1,015	96-month T-bill	5 1/8	5 1/8	5 1/8
DJ 1900	1,015	1,015	1,015	102-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2000	1,015	1,015	1,015	108-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2100	1,015	1,015	1,015	114-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2200	1,015	1,015	1,015	120-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2300	1,015	1,015	1,015	126-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2400	1,015	1,015	1,015	132-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2500	1,015	1,015	1,015	138-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2600	1,015	1,015	1,015	144-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2700	1,015	1,015	1,015	150-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2800	1,015	1,015	1,015	156-month T-bill	5 1/8	5 1/8	5 1/8
DJ 2900	1,015	1,015	1,015	162-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3000	1,015	1,015	1,015	168-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3100	1,015	1,015	1,015	174-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3200	1,015	1,015	1,015	180-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3300	1,015	1,015	1,015	186-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3400	1,015	1,015	1,015	192-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3500	1,015	1,015	1,015	198-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3600	1,015	1,015	1,015	204-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3700	1,015	1,015	1,015	210-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3800	1,015	1,015	1,015	216-month T-bill	5 1/8	5 1/8	5 1/8
DJ 3900	1,015	1,015	1,015	222-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4000	1,015	1,015	1,015	228-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4100	1,015	1,015	1,015	234-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4200	1,015	1,015	1,015	240-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4300	1,015	1,015	1,015	246-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4400	1,015	1,015	1,015	252-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4500	1,015	1,015	1,015	258-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4600	1,015	1,015	1,015	264-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4700	1,015	1,015	1,015	270-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4800	1,015	1,015	1,015	276-month T-bill	5 1/8	5 1/8	5 1/8
DJ 4900	1,015	1,015	1,015	282-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5000	1,015	1,015	1,015	288-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5100	1,015	1,015	1,015	294-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5200	1,015	1,015	1,015	300-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5300	1,015	1,015	1,015	306-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5400	1,015	1,015	1,015	312-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5500	1,015	1,015	1,015	318-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5600	1,015	1,015	1,015	324-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5700	1,015	1,015	1,015	330-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5800	1,015	1,015	1,015	336-month T-bill	5 1/8	5 1/8	5 1/8
DJ 5900	1,015	1,015	1,015	342-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6000	1,015	1,015	1,015	348-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6100	1,015	1,015	1,015	354-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6200	1,015	1,015	1,015	360-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6300	1,015	1,015	1,015	366-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6400	1,015	1,015	1,015	372-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6500	1,015	1,015	1,015	378-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6600	1,015	1,015	1,015	384-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6700	1,015	1,015	1,015	390-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6800	1,015	1,015	1,015	396-month T-bill	5 1/8	5 1/8	5 1/8
DJ 6900	1,015	1,015	1,015	402-month T-bill	5 1/8	5 1/8	5 1/8
DJ 7000	1,015	1,015	1,015	408-month T-bill	5 1/8	5 1/8	5 1/8
D							

RPTC	SECURITY	%	Trade			RPTC	SECURITY	%	Trade		
			IMPORT	EXPORT	INVT. CURY				IMPORT	EXPORT	INVT. CURY
(Continued)											
001	Indo-American Dev	Pa	100.0	5.27	2.23	001	World Bank	Pa	100.0	10.00	1.00
002	" " " "	Pa	100.0	5.27	2.23	002	" " " "	Pa	100.0	10.00	1.00
003	" " " "	Pa	100.0	5.27	2.23	003	" " " "	Pa	100.0	10.00	1.00
004	" " " "	Pa	100.0	5.27	2.23	004	" " " "	Pa	100.0	10.00	1.00
005	" " " "	Pa	100.0	5.27	2.23	005	" " " "	Pa	100.0	10.00	1.00
006	" " " "	Pa	100.0	5.27	2.23	006	" " " "	Pa	100.0	10.00	1.00
007	" " " "	Pa	100.0	5.27	2.23	007	" " " "	Pa	100.0	10.00	1.00
008	" " " "	Pa	100.0	5.27	2.23	008	" " " "	Pa	100.0	10.00	1.00
009	" " " "	Pa	100.0	5.27	2.23	009	" " " "	Pa	100.0	10.00	1.00
010	" " " "	Pa	100.0	5.27	2.23	010	" " " "	Pa	100.0	10.00	1.00
011	" " " "	Pa	100.0	5.27	2.23	011	" " " "	Pa	100.0	10.00	1.00
012	" " " "	Pa	100.0	5.27	2.23	012	" " " "	Pa	100.0	10.00	1.00
013	" " " "	Pa	100.0	5.27	2.23	013	" " " "	Pa	100.0	10.00	1.00
014	" " " "	Pa	100.0	5.27	2.23	014	" " " "	Pa	100.0	10.00	1.00
015	" " " "	Pa	100.0	5.27	2.23	015	" " " "	Pa	100.0	10.00	1.00
016	" " " "	Pa	100.0	5.27	2.23	016	" " " "	Pa	100.0	10.00	1.00
017	" " " "	Pa	100.0	5.27	2.23	017	" " " "	Pa	100.0	10.00	1.00
018	" " " "	Pa	100.0	5.27	2.23	018	" " " "	Pa	100.0	10.00	1.00
019	" " " "	Pa	100.0	5.27	2.23	019	" " " "	Pa	100.0	10.00	1.00
020	" " " "	Pa	100.0	5.27	2.23	020	" " " "	Pa	100.0	10.00	1.00
021	" " " "	Pa	100.0	5.27	2.23	021	" " " "	Pa	100.0	10.00	1.00
022	" " " "	Pa	100.0	5.27	2.23	022	" " " "	Pa	100.0	10.00	1.00
023	" " " "	Pa	100.0	5.27	2.23	023	" " " "	Pa	100.0	10.00	1.00
024	" " " "	Pa	100.0	5.27	2.23	024	" " " "	Pa	100.0	10.00	1.00
025	" " " "	Pa	100.0	5.27	2.23	025	" " " "	Pa	100.0	10.00	1.00
026	" " " "	Pa	100.0	5.27	2.23	026	" " " "	Pa	100.0	10.00	1.00
027	" " " "	Pa	100.0	5.27	2.23	027	" " " "	Pa	100.0	10.00	1.00
028	" " " "	Pa	100.0	5.27	2.23	028	" " " "	Pa	100.0	10.00	1.00
029	" " " "	Pa	100.0	5.27	2.23	029	" " " "	Pa	100.0	10.00	1.00
030	" " " "	Pa	100.0	5.27	2.23	030	" " " "	Pa	100.0	10.00	1.00
031	" " " "	Pa	100.0	5.27	2.23	031	" " " "	Pa	100.0	10.00	1.00
032	" " " "	Pa	100.0	5.27	2.23	032	" " " "	Pa	100.0	10.00	1.00
033	" " " "	Pa	100.0	5.27	2.23	033	" " " "	Pa	100.0	10.00	1.00
034	" " " "</										

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Payment of Interim Dividend
A net interim Dividend of U.S. \$0.60 per share will be paid for the current fiscal year.
Such dividend will be payable at the offices of the paying agents listed below, subject to the laws and regulations applicable in each country, starting December 12th, 1986, against surrender of coupon no. 18.

- In Luxembourg
Banque Internationale de Luxembourg S.A.
- In Italy:
all the leading banks
- In Switzerland:
Crédit Suisse
- In France:
Lazard Frères & Cie.
- in the Federal Republic of Germany:
Commerzbank
- in Great Britain:
S.G. Warburg & Co. and Lazard Brothers
- in the Netherlands:
Amsterdam-Rotterdam Bank
- in Belgium:
Banque Bruxelles Lambert.

The Principal Paying Agent
Banque Internationale à Luxembourg S.A.

Eurobond Yields

	Nov. 26	Nov. 27
U.S. 3 1/2% 10 yrs. & over	117.2	117.2
public securities, 3 yrs. & over	133.8	134.2
Industrials, 3 yrs. & over	115.7	115.7
Government, 3 yrs. & over	121.3	121.3
Pounds sterling, 3 m. & over	114.2	113.9
Swiss francs, 3 m. & over	115.7	115.7
ECU, 3 m. & over	113.7	113.7
3 m. & over	113.7	113.7
Com. 3 m. & over	113.7	113.7
U.S. 5 1/2% 7 yrs.	114.9	114.9
U.S. 5 1/2% 10 yrs.	114.9	114.9
Yen, 6 m. & over	113.7	113.7
3 m. & over	113.7	113.7

Source: Luxembourg Stock Exchange.

Weekly Sales

	Credit	Debit	Credit	Debit
Stratford	24.5	27.5	1.3	1.3
Common	17.00	17.00	1.25	1.25
FRS	99.10	99.10	2.86	2.86
FC	24.5	24.5	1.25	1.25
Total	901.30	904.60	718.50	718.50

Inventory Market

	Nov. 26	Nov. 27
Stratford	49.13	49.13
Common	25.50	25.50
FRS	112.75	112.75
FC	22.50	22.50
Total	110.88	110.88

Source: Luxembourg Stock Exchange.

Libor Rates No. 2

	1-month	3-month	6-month
U.S.\$	5 1/4	6 1/4	6 1/8
Deutsche mark	4 1/2	4 1/4	4 1/8
Pound sterling	11 1/4	11 1/4	11 1/4
French franc	7 1/4	8 1/4	8 1/4
ECU	7 1/4	7 1/4	7 1/4
Yen	4 1/4	4 1/4	4 1/4

Source: Mergon Guaranty, Lloyds Bank.

70	21	10/25/91	10/25/91	10/25/91
100	20	10/25/91	10/25/91	10/25/91
100	20	10/25/91	10/25/91	10/25/91
50	20	10/25/91	10/25/91	10/25/91

[illegible]

1 Jun 82	20 Dec 84	Y 230 -	128,079	430
7 Jun 82	20 Jun 86	Y 1201 -	842,357	2,230
24 Jun 85	18 Aug 88	Y 1281A0 -	1828,254	26
22 Apr 85	20 Mar 88	Y 895 -	271,683	39

[illegible]

19

Seize the

The International Herald Tribune
News to the World's

LT	3	30	Lehr Petrol Lnc	52.00	8	27 Aug
BS	5	40	Lehr Petrol Lnc	39.26	8	15 Oct
BS	5	200	Lorimar-Tylenol	28.00	4	21 Aug

[illegible]

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in $\mu\text{g mL}^{-1}$.

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1974	13 Aug 83	majority	\$ 13,636	
72	17 Dec 77	majority	\$ 19,396	
72	4 Feb 81	majority	\$ 25,487	
96	18 Aug 86	majority	\$ 25,487	

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79.12	2.50
79.12	2.50

15.71	3.03
15.72	1.66
15.73	4.35
15.74	14.46
15.75	
15.76	
15.77	1.82
15.78	7.25
15.79	1.05
15.80	1.93
15.81	3.34
15.82	
15.83	9.91
15.84	2.71
15.85	2.34
15.86	6.31
15.87	1.76
15.88	2.28
15.89	4.81
15.90	1.37
15.91	
15.92	
15.93	
15.94	
15.95	
15.96	
15.97	6.93
15.98	2.42
15.99	1.84
16.00	
16.01	
16.02	1.38
16.03	1.97
16.04	2.95
16.05	4.52
16.06	8.35
16.07	
16.08	8.68
16.09	2.42
16.10	1.39
16.11	1.60
16.12	
16.13	
16.14	0.75
16.15	0.13
16.16	
16.17	13.67
16.18	3.67
16.19	2.71
16.20	3.21
16.21	4.62
16.22	1.22
16.23	4.46
16.24	3.2
16.25	2.45
16.26	1.45
16.27	3.46
16.28	
16.29	6.76

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1

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News to the World's Most Important Audience.

OTC Consolidated trading for week ended Friday, Nov. 22

OTC Consolidated trading for week ended Friday. Nov. 22

[illegible]

Figured as of close of trading Friday

Figures as of close of trading Friday.

Nov 2

[illegible]

(Continued on next page)

Wall Street Review

[illegible]

Chicago Exchange Options

Figures as of close of trading Friday, Nov. 28

Option & Price	Call	Put	Option & Price	Call	Put
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00
IBM Jan 1987	10.00	1.00	IBM Jan 1987	10.00	1.00

NASDAQ National Market

OTC Consolidated trading for week ended Friday

Symbol	1986 High	Low	Close	Change
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00

Mutual Funds

Figures as of close of trading Friday, Nov. 28


Fund Name	Assets	Share Price	Change
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25
Fidelity Divd Growth	\$1.2B	\$24.50	+0.25

Symbol	1986 High	Low	Close	Change
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00
IBM	100.00	98.00	99.00	+1.00

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Maturity	Ask	Yield
1/28	102.00	7.62
2/28	101.50	7.62
3/28	101.00	7.62
4/28	100.50	7.62
5/28	100.00	7.62
6/28	99.50	7.62
7/28	99.00	7.62
8/28	98.50	7.62
9/28	98.00	7.62
10/28	97.50	7.62
11/28	97.00	7.62
12/28	96.50	7.62



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SELECTED U.S.A./O.T.C. QUOTATIONS

Symbol	BID	ASK
Bitter Corp.	3 1/4	4
Chico	23 1/2	23 3/4
GoodMark Foods	11 1/2	11 3/4
MAG Holdings	4 1/2	5 1/4
Spectradyne	17	17 1/2

WITH COMMENTS OF CONTINENTAL AMERICAN

These are indicative prices as of Nov. 20, 1986





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